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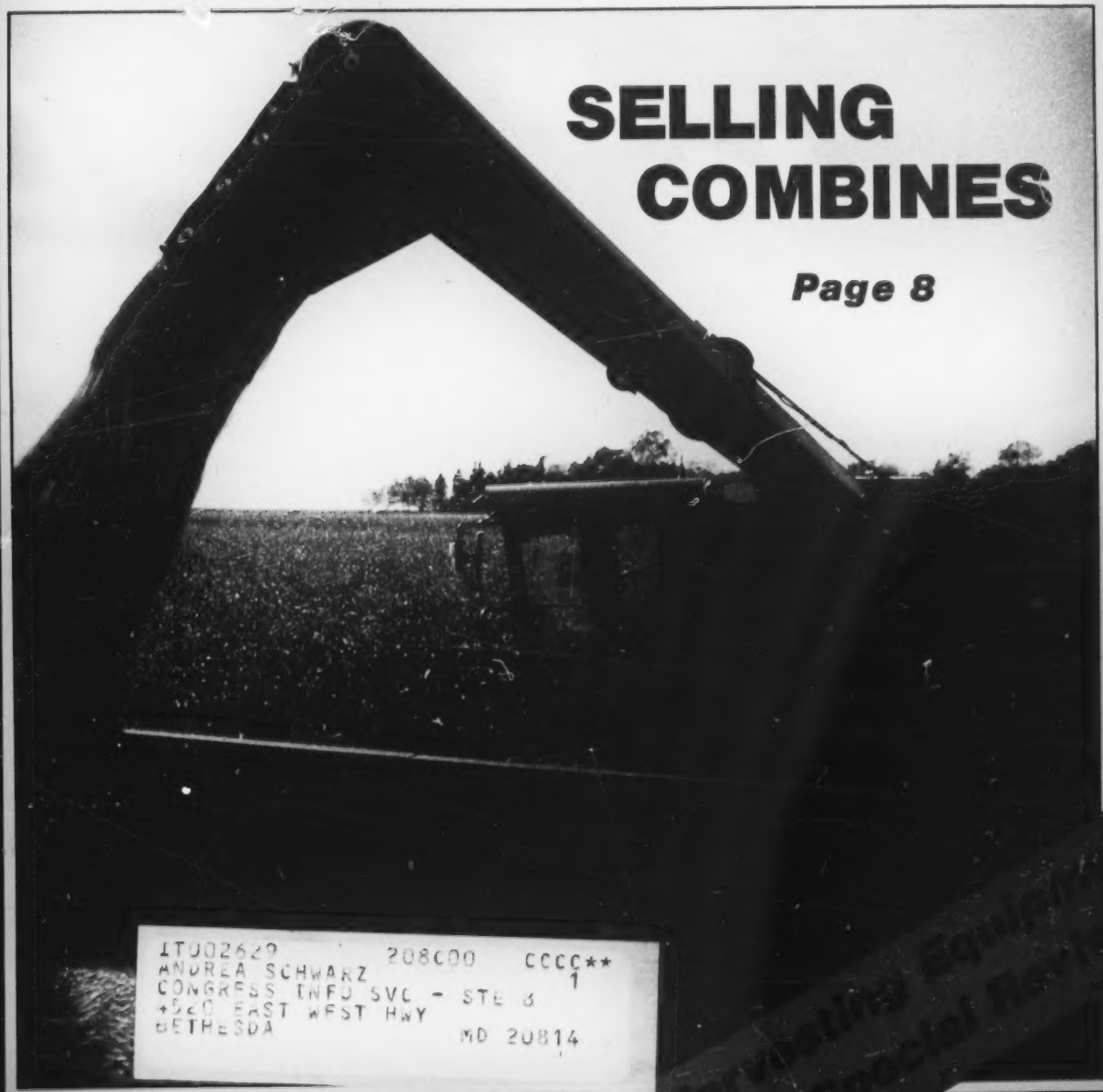
I&T 100 YEARS OF LEADERSHIP

implement & tractor

The business magazine of the farm and industrial equipment industry

Marketers Look at Show Business Page 11



SELLING COMBINES

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I&T 100 YEARS OF LEADERSHIP

Implement & Tractor

The business magazine of the farm and industrial equipment industry.

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Our Cover Story

If we can't expect a return to the good old days of 30,000 combine sales, it's still possible to sell equipment that improves the whole harvesting system.

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Features

8: I&T takes a look at some of the new equipment — including combines — available for harvesting grain.

11: With the recent increase in equipment shows and the downturn in the industry, manufacturers have become selective about their participation. Several manufacturers told I&T what they consider in deciding which shows to attend.

15: Details about industry conventions, meetings and machinery shows in the coming year.

26: SIMA—the International Agricultural Machinery Exposition in Paris — is the world's largest event of its kind. Despite hard times in the industry, SIMA continues to thrive.

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May Sales: Big Tractors Down, Hay Tools Up

After several months in the doldrums, U.S. retail sales of farm tractors under 100 hp picked up in May, according to the flash report of the Farm & Industrial Equipment Institute. Sales of small-bale balers, forage harvesters and mower conditioners were up noticeably.

Unit Retail Sales

	May			January-May		
Equipment	1987	1986	%	1987	1986	%
Farm Wheel Tractors:						
2-Wheel Drive						
Under 40 HP	7,291	7,081	3.0	25,544	26,724	(4.4)
40 & Under 100 HP	2,708	2,616	3.5	11,435	12,188	(6.2)
100 & Under 140 HP	261	491	(46.8)	1,316	2,296	(42.7)
140 HP & Over	523	1,067	(51.0)	2,453	4,530	(45.8)
Total 2-Wheel Drive	10,783	11,255	(4.2)	40,748	45,738	(10.9)
4-Wheel Drive						
Under 200 HP	28	39	(28.2)	219	244	(10.2)
200 HP & Over	54	67	(19.4)	346	527	(34.3)
Total 4-Wheel Drive	82	106	(22.6)	565	771	(26.7)
Total Farm Wheel Tractors	10,865	11,361	(4.4)	41,313	46,509	(11.2)
Combines (Self-Propelled)	110	139	(20.9)	606	1,301	(53.4)
Balers (Bales under 200 lbs.)	462	377	22.5	1,325	1,406	(5.8)
Forage Harvesters (Shear Bar Type)	145	89	62.9	496	359	38.2
Mower Conditioners	1,340	788	70.1	3,196	2,776	15.1

FIEI Updates Forecast: Lower '87 Volume Seen

The Farm & Industrial Equipment Institute has issued an update of its January retail sales forecast for 1987. The forecast takes the predictions of participating members in terms of percentage of change, up or down, and presents the median estimate.

Retail dollar volume, expected to be up 2 percent in January, is now expected to be the same as last year.

Tractor unit sales are now expected to decline about 1 percent. The earlier forecast was for a 2 percent rise. Units of under-40 hp, expected to go up 2 percent in January, are now seen up by less than 1 percent. Tractors in the 40-99 hp bracket were expected to go up about 5 percent and are now seen as declining about 1 percent. Tractors of 100 hp and more were seen as declining close to 5 percent earlier and are now expected to be down about 5.5 percent. Four-wheelers are expected to take the big hit: Down 3.5 percent in January, now down 12 percent.

Combines and corn heads were predicted as declining 16 percent earlier. It's not so bad now at 12.5 percent.

In January, windrowers, mower-conditioners and conventional balers were expected to hold steady for 1987; now the marketers expect windrowers to go down 1 percent, mower-conditioners to go up about 3 percent and conventionals to dip 2 percent.

But big balers, seen as up 2.7 percent in January, are now expected to improve by 3.3 percent.

Grinder-mixers were expected to jump 11 percent in January; the increase is now down to 2 percent. Manure spreaders: Down 5.5 percent in January, down a little less in May to 5 percent.

Tillage equipment expectations have improved.

FIEI Forms Equipco For Liability Coverage

Member companies of the Farm & Industrial Equipment Institute have formed Equipco Insurance Co. to provide product liability insurance. The company is organized under the laws of Bermuda and is based at Hamilton, Bermuda.

Ownership and control are by the participating member companies.

Bernard Nielsen, Gehl Co., is Equipco president. Also on the board are William Barefoot, Lift-A-Loft Corp.; Dick Conway, GT, Inc.; Doublas DeKock, Harlo Products Corp.; and Lincoln Schoenberger, OEM Controls, Inc.

Deere's 2nd Period: Back in the Black

Deere & Co. has reported a net income of $35.3 million for the second quarter of fiscal 1987, ended April 30, compared with a loss of $28.9 million in the same period last year. Sales were up 12 percent to $1.14 billion.

Manufacturing and marketing operations produced a $7.5 million profit in the period; they lost $55 million in last year's second quarter. Chairman Robert Hanson said the improvement came from higher sales and production, lower costs and "improved price realization as sales incentives were reduced somewhat."

For the first six months, sales were off 6 percent to $1.622 billion and production was down 26 percent. There was a net loss of $157 million for the first half, compared with a restated loss of $55.8 million in the first half of 1986. Deere experienced a labor dispute which disrupted most production in the first quarter.

Hanson said that Deere expects farm equipment retail demand for all of 1987 to be below that of 1986 and is thus reducing production schedules somewhat. Lawn and grounds care equipment business was up in the first half. Industrial equipment sales are expected to hold even with the 1986 level.

Allied Unites White, New Idea Divisions

White Farm Equipment and New Idea Farm Equipment Division of Allied Products Corp. are now a new, combined division called White-New Idea Farm Equipment. It will be headed by Ronald W. Hottes, who had been president of New Idea.

According to Bob M. Middlebrooks, senior vice-president for Allied Products, the separate product lines and dealer organizations will be maintained. Marketing and administrative functions will be at Coldwater, Ohio, New Idea headquarters. White's headquarters in South Bend, Ind., will close, but the parts operation there will be expanded.